

May 29, 2000

Stuart B. Fallen
Clerk of the Circuit Court
County of Charlotte

Board of Supervisors
County of Charlotte

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for the County of Charlotte for the period July 1, 1998 through September 30, 1999.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Assess Fees

In 3 of 9 qualifications tested, the Clerk did not properly assess and collect filing fees when qualifying an individual to act as executor or administrator of an estate as required by Section 17.1-275(3) of the Code of Virginia. This resulted in over and under assessments. At the time of qualification, the Clerk should assess filing fees for qualifying individuals using the estimated value of the estate.

Deposit Collections Daily

The Clerk does not deposit collections by the next banking day as required by Section 2.1-180.1 of the Code of Virginia. The Clerk has exemption from daily deposits if total collections do not exceed \$1,000. In 5 of 15 daily receipts tested where the days' ending balance exceeded \$1,000, the Clerk did not deposit the funds the next banking day. Noncompliance could result in the theft or misappropriation of funds. The Clerk should immediately ensure that he complies with the Department of Treasury's deposit requirements.

We discussed these comments with the Clerk on April 17, 2000 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable William L. Wellons, Chief Judge
R. B. Clark, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia